

KUMPULAN HARTANAH SELANGOR BERHAD

Company No. 559747-W
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31st MARCH 2012

A. NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

A1 Basis of Preparation

The unaudited condensed interim financial statements of the Group have been prepared in accordance with the requirement of Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" issued by Malaysian Accounting Standard Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The unaudited condensed interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2011.

A2 Changes in Accounting Policies

On 19 November 2011, the Malaysian Accounting Standards Boards ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Frameworks to be applied by all Entities Other Than private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15: Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Groups falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The adoption of the MFRS Framework will not have any material effect on the financial performance or position of the Group except for IC Interpretation 15: Agreements for the Construction of Real Estate, whereby the Group is in the process of making an assessment of the impact of this Interpretation. The Group shall fully comply with the requirements of the MFRS Framework for the financial year beginning on or after 1 January 2013.

A3 Audit report on preceding annual financial statements

The audited financial statements for the financial year ended 31 December 2011 were not subject to any audit qualification.

A4 Seasonal or cyclical factors

The Group's operations were not materially affected by seasonal or cyclical factors.

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A5 Unusual items affecting assets, liabilities, equity, net income or cashflows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the period under review.

A6 Material changes in estimates

There were no material changes in estimates of amounts reported in prior interim periods in the current financial year or previous financial years that have material effect in the period under review.

A7 Debt and equity securities

There were no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, repurchase, resale and repayment of debt and equity securities during the period under review.

A8 Dividend paid

There was no dividend proposed and paid during the period under review.

A9 Segment information

No segmental reporting is presented as the Group is operating principally in one industry and within the country.

A10 Material events subsequent to the end of the interim period

There were no other material events subsequent to the end of the current financial quarter ended 31st March 2012 up to the date of this report which, is likely to substantially affect the results of the operations of the Group other than the matters as disclosed in Note B9 "Material Litigation" to this interim financial statements.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group during the period under review.

A12 Contingent liabilities

The contingent liabilities as at 31st March 2012 are as follows:

a) Secured	RM'000
Legal action in relation to a piece of forfeited land taken by a financial institution in respect of a third party charge granted by a subsidiary company, as disclosed under B9, Part B, No. 3	49,819
b) Unsecured	
Other claims filed against the Group	1,716

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- c) On 16 February 2004, a third party filed an action alleging that a subsidiary's termination of the joint venture agreement and the agreements ancillary thereto ("JVA") due to the third party's breach of four fundamental conditions of the JVA was wrongful and claimed for the transfer of the ownership of the said land to the third party, damages to be assessed and the loss of profits of approximately RM350 million. The subsidiary has filed its defence and made a counter-claim on 17 March 2004, against the third party for the said four fundamental breaches of the JVA by the third party and claiming amongst others, for the return of vacant possession of the said land, damages in the sum totaling to approximately RM399 million and an indemnity against all claims in the foreclosure proceedings as stated in (a) above. Further development of the case is disclosed under Section B9, Part B, No. 4.

A13 Employee Share Option Scheme ("ESOS")

The Kumpulan Hartanah Selangor Berhad's Employee Share Option Scheme ("KHSB ESOS") is governed by the bye-laws which were approved by the shareholders at the Extraordinary General Meeting on 15 June 2004. The Company implemented KHSB ESOS in 2005 and is to be in force for a period of 5 years subject however, to an extension at the discretion of the Option Committee for a period up to 5 years commencing from the date of expiration of the original 5 years period. The Option Committee had approved the extension of KHSB ESOS scheme tenure for another 5 years expiring on 27 December 2015.

The main features of the ESOS are as follows:

- The total number of ordinary shares to be issued by the Company under the ESOS shall not exceed 15% of the total issued and paid-up ordinary shares of the Company, such that not more than 50% of the shares available under the ESOS is allocated, in aggregate, to Directors and senior management.
- Not more than 10% of the shares available under the ESOS is allocated to any individual Director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company.
- Any Director (both executive and non-executive Directors) of the KHSB Group (other than a company within the Group which is dormant) or an employee of the KHSB Group who is employed full time and is on the payroll of the KHSB Group (other than a company within the Group which is dormant), but does not include employees under probation, are eligible to participate in the scheme, subject to the final decision of the Options Committee.
- The option price under the ESOS is the average of the mean market quotation of the shares of the Company as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad, for the five market days preceding the offer date, or the par value of the shares of the Company of RM1, whichever is the higher.
- The options granted are exercisable from the date of grant and have a contractual option term of five years.
- Options granted under the ESOS carry no dividend or voting rights. Upon exercise of the options, shares issued rank pari passu in all respects with existing ordinary shares of the Company.

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The terms of shares options outstanding as at the date of this unaudited interim financial statements are as follows:

Grant date	Expiry Date	Exercise Price RM	No of Share Options				31.03.2012
			1.1.2012	Granted	Terminated	Exercised	
			'000	'000	'000	'000	'000
28.12.05	27.12.15	1.00	30,939	-	(4,450)	-	26,489
05.01.08	27.12.15	1.00	<u>1,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,352</u>
			32,291	-	(4,450)	-	27,841

No options were exercised during the financial period.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES
BERHAD LISTING REQUIREMENTS**

B1 Performance review

Current Quarter / Current Year to-date against Corresponding Quarter / Corresponding Year to-date:

For the current quarter under review, the Group reported revenue worth RM9.89 million which was lower compared to RM46.75 million recorded in the corresponding quarter 2011. This was mainly due to lower contribution from land sale and property development segment. The Group loss before tax for the current quarter under review was RM4.93 million compared to loss before tax of RM42.60 million in the corresponding quarter 2011 as there were higher other expenses recorded in the corresponding quarter. The main contributors in the corresponding quarter were impairment on land held for property development and impairment on non-current trade receivables.

B2 Comment on material change in profit before tax

At RM9.89 million, the Group reported a fall in revenue of RM63.66 million from RM73.55 million reported in the previous quarter. However, the marked decrease in revenue did not translate into higher loss for the Group as there was substantial amount of other expenses recorded in the previous quarter. The Group recorded lower loss before tax of RM4.93 million in the current quarter compared to RM6.91 million in the previous quarter.

B3 Commentary on prospects

Whilst the Group continues to address the challenging issues from previous property development and joint venture projects, the Group has outlined some strategic plans to be implemented over the next few years.

On 17 May 2012, the Group entered into a Memorandum of Understanding with SunLohas Group Limited whereby both parties are collaborating to carry-out a legal, financial and commercial due diligence in order to determine the feasibility and viability of the proposed development to be carried out on land measuring approximately 4,976.719 acres located at Bestari Jaya.

The Group has also decided to enter into a Memorandum of Understanding with Norzakiah Architect ("NZA") on 24 Mei 2012, for the purpose of appointing NZA as the Lead Town Planning Consultant, in collaboration with the Buchan Group of Australia, to prepare the master plan for the development of Pulau Indah East measuring approximately 1,196 acres into an integrated township.

The Group has successfully completed and sold Phase 1 of the Selangor Halal Hub Pulau Indah measuring 300 acres. The infrastructure works for Phase 2 which cover 400 acres are currently 95% completed and are expected to be fully completed by June 2012.

The Group has decided to develop a piece of land measuring 9.60 acres at Petaling Jaya, Section 14 on a joint-venture basis and the development planning on the land is in progress. The project by virtue of its strategic location had attracted market interest and the Group is very careful in its planning as to maximize its returns.

The Group is also actively searching for strategically located lands for future development.

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B4 Profit forecast and profit guarantee

No profit forecast or profit guarantee were issued for this financial period.

B5 Other operating income/(expenses)

Included in other operating income/(expenses) are the following credits/(charges):

	3 months ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
Interest income:		
- on financial asset – FRS 139	329	551
- others	79	219
Gain on disposal:		
- property, plant and equipment	45	1
Depreciation of property, plant and equipment	(187)	(215)
Interest expense	(3,278)	(3,649)
Impairment of:		
- non-current receivables	-	(20,750)
- on land held for property development	-	(20,765)
- on inventories	-	(5,071)
Write off of receivables	-	-
Write off of inventories	-	-
Foreign exchange gain or loss	-	-
Gain or loss on derivatives	-	-
Exceptional items	-	-

B6 Income tax and zakat expense

	3 months ended	
	31.03.2012	31.03.2011
	RM'000	RM'000
Current tax position	346	4,957
Deferred tax transfer to balance sheet	(13)	(1,520)
Income tax expense	333	3,437
Zakat expense	0	0
Income tax and zakat expense	333	3,437

The group tax charge in the current financial period reflects an effective rate which is higher than statutory tax rate as certain expenses are not deductible in subsidiary companies in the Group.

B7 Status of corporate proposals

There were no corporate proposals announced as at the date of this report.

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B8 Borrowings

The Group borrowings as at 31st March 2012, all denominated in local currency are as follows :-

	Total RM'000
Short Term Borrowings :	
Secured	42,036
Unsecured	28,075
	<hr/> 70,111 <hr/>
Long Term Borrowings :	
Secured	131,515
Unsecured	-
	<hr/> 131,515 <hr/>
Total Borrowings	<hr/> 201,626 <hr/>

B9 Material litigation

Save as disclosed below, as at the date of this Circular, neither KHSB nor its subsidiary companies are involved in any material litigation, claim or arbitration either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings, pending or threatened against KHSB or its subsidiary companies or of any facts likely to give rise to any proceedings which might materially affect the financial position or business of KHSB or its subsidiary companies.

A. Cases where KHSB and its group of companies is/are the Plaintiff(s)

1. SAP Holdings Berhad ("SAP") filed an action against PAG Mampu Jaya Sdn Bhd ("PAG") vide Kuala Lumpur High Court Summons No. D2-22-1075-05 claiming the sum of RM15.93 million together with general damages for loss of profit, interest and cost for breach of a Joint Venture Agreement between SAP and PAG. Summary judgment was obtained in favour of SAP on 12 February 2007. Due to failure by PAG to honor the aforesaid judgment, SAP filed a winding up proceeding against PAG. Pursuant to the Winding-Up Order made on 20 May 2008, the OA was appointed as the liquidator for PAG. SAP filed proof of debt on 16 July 2009 for a total amount of RM20,342,391.78 consisting of the judgment sum of RM15,930,000 and interests of RM4,412,391.78.

The matter is still under the OA's action on the same.

2. Central Spectrum (M) Sdn Bhd ("CSSB") filed an appeal against Pentadbir Tanah Daerah Klang ("PTDK")'s decision in respect of quantum & measurement of land acquisition for Lots 74072, 74073, 74074 and 74075 [No. Hakmilik: PN 7941, 7940, 7939 and 7938] vide Shah Alam High Court Summons No. MT3-15-686-2004 ("KTM 1"). On 24 December 2010 the High Court upheld the Award made by PTDK of RM2,664,364.00.

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On 14 January 2011 CSSB filed Notice of Appeal against the High Court's decision vide Civil Appeal No. B-01-57-11 and on 15 April 2011 CSSB filed the Record of Appeal for the same.

The Court has yet to fix a hearing date for the appeal.

3. Central Spectrum (M) SdnBhd (CSSB) filed another appeal against Pentadbir Tanah Daerah Klang (PTDK)'s decision in respect of quantum & measurement of land acquisition for Lots 74076, 74077, 74078, 74079 and 10490 [No. Hakmilik: PN 7937, 7936, 7935, 7934 and 12229] vide Shah Alam High Court Summons No. RT-MT1-15-88-2005 ("KTM 2"). PTDK had awarded to CSSB a sum of RM4,535,114.00.

CSSB appealed against the PTDK's award and on 24 December 2010, the High Court has increased the amount as follows:

- i) for Lot 74076 and Lot 74077 maintained the nominal award RM10.00 each;
- ii) for Lot 74078 increased to RM819,702.00;
- iii) for Lot 74079 increased to RM593,100.00; and
- iv) for Lot 104400 increased to RM361,800.00.

The total amount increased for item (ii) to (iv) above is RM1,774,602.00 with interest of 8% per annum from the date of Borang K (1 August 2005) until the date of Order and further interest at 8% per annum on RM1,774,602.00 if payment is made after 3 months from the date the sealed Order is served on PTDK.

PTDK has paid RM2,541,230.06 on 13 October 2011, being the total increased award of RM1,774,602.00 together at 8% interest per annum on RM1,774,602.00 from the date of Borang K (1 August 2005) until the date of Order (24 December 2010) of RM766,628.06.

On 14 January 2011, CSSB filed Notice of Appeal against High Court's decision vide Civil Appeal No. B-01-64-11 and on 15 April 2011 CSSB filed the Record of Appeal for the same.

The Court has yet to fix the hearing date for the appeal.

4. Central Spectrum (M) Sdn Bhd. (CSSB) filed an action against Pentadbir Tanah Daerah Klang (PTDK)'s decision in respect of land acquisition for South Klang Valley Express Way (SKVE) for lots 74082, 74088, 74087 and PT 79492 (No. HakMilik: PN 7942, PN 7925, PN 7926 and HSD 67045) at Shah Alam High Court Summons No. MT4-15-110-2009. PTDK awarded to CSSB the sum of RM54,633,959.22.

CSSB appealed against PTDK's decision and on 8 March 2011, the High Court upheld the Award made by PTDK on the basis that the award is reasonable and the award for Injurious Affection for PT 74087 and PT 74088 is also maintained.

On 30 March 2011, CSSB filed Notice of Appeal against the High Court's decision vide Civil Appeal No. B-01-232-2011.

The Court has yet to fix the Hearing Date.

5. SAP Holdings Berhad ("SAP") filed an Originating Summons against Messrs Arbain & Co ("MAC") on 27 July 2011 disputing the claim made by MAC amounting to RM4,711,453.00 for the outstanding legal fees pursuant to the Notice of Section 218 of the Companies Act 1965 dated 1 August 2011 served by MAC on SAP 10 August 2011. SAP has referred the bill for further direction from the Court. On 25 August 2011, SAP filed for an injunction against MAC from commencing the winding-up proceedings and SAP

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was granted the Ex-Parte Injunction (pending hearing of inter-partes) on 26 August 2011. The case is fixed for case management on 7 September 2011 and the inter-partes hearing is fixed on 15 September 2011. On 15 September 2011, SAP obtained an Ad Interim Injunction. The case management has been fixed on 22 December 2011. However, on 22 December 2011, SAP filed Summons in Chambers in support of SAP's application under Order 14A(1) and (2) Rules of High Court 1980 to strike out the Notice Pursuant to Section 218 of the Companies Act 1965 and the Bill of Cost dated 26 March 2010 for the alleged sum of RM4,711,453.00 as the Notice and the Bill of Cost were issued to two (2) different entities. The Court has fixed the case management on 6 March 2012 for the parties to complete the affidavits. On 6 March 2012, the Court has fixed the next case management on 27 March 2012 for the parties to file their respective written submissions, if any. On 27 March 2012, the Court fixed the case management on 17 April 2012.

On 17 April 2012, the Court further fixed the case management on 10 May 2012 to enable the Court and parties to reconstruct the file since some documents which were filed earlier are not found available in the Court's file due to change of Court officers. On 10 May 2012, the Court has set the case for Hearing on 27 June 2012.

B. Cases wherein KHSB and its group of companies is/are the Defendant(s)

1. Upright Dignity Sdn Bhd ("UDSB") instituted an action for specific performance and other consequential relief and in the alternative, refund of all monies paid by UDSB to Desa Hilir Sdn Bhd ("DHSB") totaling RM7,228,000.00 with interest at 8% per annum, as well as damages for breach of contract against Perbadanan Kemajuan Pertanian Selangor ("PKPS"), SAP Holdings Berhad ("SAP") and DHSB [collectively referred as the Defendants] at the Shah Alam High Court vide Civil Suit No. MT4-21-60-2000 purportedly in relation to a Sale and Purchase Agreement dated 24 April 2000 ("Purported SPA") entered into between DHSB (as attorney for PKPS & SAP) and UDSB in respect of a piece of land held under H.S.(D) 1426 P.T. No. 4466 Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, measuring approximately 556.482 acres ("Dengkil Land") of which PKPS was the registered proprietor.

The Court dismissed the case against PKPS and SAP with costs and allowed the case against DHSB. UDSB filed an appeal to the Court of Appeal against the High Court's decision.

The Court of Appeal has fixed 20 April 2012 for case management. On 20 April 2012, the Court of Appeal has directed UDSB to file their Appeal Record by 31 May 2012 and the case is fixed for Hearing on 14 August 2012.

2. CGE Construction Sdn Bhd ("CGE") filed an action against SAP Air Hitam Properties Sdn Bhd ("SAPH") on 20.04.2006 vide Shah Alam Civil Suit No. MT4-22-434-2006 alleging that SAPH owes CGE the sum of RM4,116,506.20 together with cost and interest at the rate of 8% per annum from 20.04.2006 to the date of realisation, purportedly being balance payment for work done for a project known as "Proposed site clearance, earthworks, drainage, main road works and final layer to internal roads and related works to the proposed residential commercial and recreational development at Lestari Perdana, Mukim Petaling, Daerah Petaling Selangor" (the "Project").

SAPH filed application for Stay of Proceeding before the Court pending arbitration as provided under the Conditions of Contact for the Project and the same was allowed by the Senior Assistant Registrar and upheld by the High Court. CGE filed their appeal to the Court of Appeal against the High Court decision.

Hearing for CGE's appeal against SAP's stay order pending arbitration has been fixed on 20 October 2011. However, on 20 October 2011, the Court has dismissed the appeal with costs as the Record of Appeal was not in order.

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3. AmFinance Berhad [now known as AmBank (M) Berhad] ("AMF") instituted foreclosure proceeding against SAP Holdings Berhad ("SAP") vide Shah Alam High Court Originating Summons No. MT1-24-1770-2002 in respect of a piece of land held under H.S.(D) 20034 PT No. 26549, Mukim Batu, Daerah Gombak ("Gombak Land"). SAP, the registered proprietor of the Gombak Land, created a third party charge over the Gombak Land in favour of AMF as security for the loan facility of RM17.0 million granted by AMF to Cergas Tegas Sdn Bhd ("CTSB").

CTSB's application to intervene in the foreclosure proceeding was dismissed on 19 October 2009. SAP filed its written submission on 4 November 2010 and the case was fixed for decision on 10 November 2010.

Subsequently, the Court allowed AMF's application for an Order for Sale of the Gombak Land with cost of RM1,500. The Court further fixed 24 January 2011 as the auction date of the Gombak Land.

SAP filed a notice of appeal against the decision and the Hearing for the Summons for Directions was fixed on 29 March 2011 in respect of the Order for Sale of the Gombak Land.

On 23 March 2011, SAP filed an application for Stay of Execution and on the Hearing date for the said application on 25 March 2011, the Court granted an Interim Stay pending both parties filing their submission before the Court by 19 May 2011 and the Court shall give its decision on the same on 26 May 2011.

On the hearing date for the Summons for Direction in respect of the Order for Sale, i.e. 29 March 2011, the Court directed both parties to file their submissions in relation to the Summons in Chambers filed by CTSB to set aside the Order for Sale and substitution of SAP as Defendant in the said suit by 29 April 2011 and the Court shall give its decision on the same on 5 May 2011 and consequently, the Court extended the date for both parties to file their submissions on 15 June 2011.

On 26 May 2011, the Court has fixed 6 July 2011 as the date for decision in respect of SAP's application for Stay of Execution.

On 6 July 2011, the Court allowed SAP's application for Stay of Execution pending appeal.

On 2 August 2011, the Court has fixed 13 September 2011 for decision and the parties were required to submit all cause papers and written submissions by 6 September 2011. On 25 August 2011, the Gombak Land was forfeited by the Gombak District Land Office. On 13 September 2011, the Court further fixed the case management for CTSB's application to set aside the Order for Sale on 30 November 2011. The Court of Appeal has fixed 12 January 2012 for Hearing of AMF's appeal against the stay order obtained by SAP. However, the Court of Appeal has adjourned this matter to 26 April 2012 pending hearing of AMF's appeal against the forfeiture notice pursuant to Section 418 of the National Land Code 1965. On 26 April 2012, the Court of Appeal has further adjourned the Hearing to 6 June 2012 pending decision of AMF's appeal against the forfeiture of the Gombak Land.

4. Cergas Tegas Sdn Bhd ("CTSB") filed an action vide Kuala Lumpur High Court No. S2-22-185-2004 against SAP Holdings Berhad ("SAP") and Star Everest Sdn Bhd ("SESB") alleging unlawful termination by SAP of the joint venture agreement ("JVA") and the agreements ancillary thereto and seeking damages to be assessed and the purported loss of profits of approximately RM350 million.

SAP filed its defense and made a counterclaim of RM399 million against CTSB and indemnification by CTSB against the consequences of CTSB's breach of the term loan facility and/or enforcement by AMF of its right under the charge.

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The case was heard on 5 July 2011 and on 4 August 2011, it was held by the Court as follows:

- i) The Court dismissed both the Suits filed by CTSB with costs;
- ii) SAP is the legal and beneficial owner of the land by way of declaration granted by the Court;
- iii) The Court granted an injunction to compel CTSB, whether by itself or by its servant or agents or otherwise howsoever to deliver up vacant possession of the land to SAP within fourteen (14) days from the date of the order made;
- iv) The Court granted an injunction to restrain CTSB, whether by itself or by its servants or agents or otherwise howsoever from entering into and/or using the land;
- v) The damages claimed by SAP shall be assessed by the Registrar together with interest to be paid on the assessed amount at 4% per annum from the date of the Summons to the date of the Judgment (i.e. 4 August 2011) and at the rate of 8% per annum from the date of the Judgment until date of full settlement;
- vi) Costs to be paid by CTSB to SAP as follows:-
 - a) RM40,000.00 for Summons 1;
 - b) RM10,000.00 for Summons 2;
 - c) RM10,000.00 for Injunction in respect of Summons 1; and
 - d) RM10,000.00 for Injunction in respect of Summons 2.
- vii) The Court further granted liberty to SAP to commence action for any damages suffered as a result of the injunction taken by CTSB against SAP.

CTSB filed an appeal to the Court of Appeal on 9 August 2011 against the decision of the High Court dated 4 August 2011. On 12 August 2011, CTSB filed an application for a stay of execution, however, the Court dismissed CTSB's application.

On 16 August 2011, CTSB filed Summons in Chambers for stay of execution which was fixed for Hearing on 25 August 2011. CTSB also filed a second appeal on 16 August 2011 to crystallize and reflect the true decision of the Court following the clarification by the Judge. On 19 August 2011, SAP, through its solicitors demanded CTSB to deliver vacant possession of the Gombak Land within fourteen (14) days from the date of the notice pursuant to the Order dated 4 August 2011. On 25 August 2011, SAP served *Notis Untuk Menghadiri Temujanji* to Court for the assessment of damages pursuant to the Order dated 4 August 2011 and the Court fixed 9 November 2011 for case management. On 26 August 2011, SAP received Borang 8A dated 25 August 2011 from the Gombak District Land Office being a notice of an Order under Section 129 of the National Land Code 1965 to forfeit the land.

On 13 September 2011, CTSB's application for stay of execution was dismissed by Court. On 9 November 2011, the Court directed the parties to file and exchange affidavits on the assessment of damages pursuant to the Order dated 4 August 2011 and fixed 29 March 2012 for case management. SAP filed its claimed for damages to be assessed by the Court on 28 December 2011. On 18 January 2012, CTSB filed a Notice of Motion to amend their Record of Appeal dated 9 August 2011 and extension of time to file the Record of Appeal and Supplemental Record of Appeal dated 16 January 2012 out of time. The Hearing for CTSB's application has been fixed on 13 April 2012.

On 23 February 2012, the Company has been informed by the solicitors via its letter dated 22 February 2012 that CTSB has been wound up pursuant to a Court Order taken by AmFinance Berhad on 20

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January 2012.

On 29 March 2012, upon notification of the winding up order made against CTSB, the Court fixed the next case management on 5 September 2012 pending application by SAP to the winding up court for leave to continue with the proceedings for the assessment of damages as required under Section 226(3) of the Companies Act 1965. The Hearing for SAP's application for leave was fixed on 24 April 2012.

On 13 April 2012, the Court has fixed 23 May 2012 for a joint Hearing in respect of CTSB's motion for amendment of the Notice of Appeal dated 9 August 2011 and extension of time to file Rekod Rayuan and the appeal filed by CTSB on 16 August 2011 which was fixed for disposal.

On 24 April 2012, the Court has set 24 May 2012 for Hearing in respect of SAP's application for leave to continue with the proceedings for the assessment of damages to enable AmFinance Berhad and liquidator for CTSB to file their affidavits. The Court further directed SAP to file its affidavit in reply, if any, before 24 May 2012.

On 23 May 2012, the Court has set 17 July 2012 for Hearing of CTSB's motion for amendment of the Notice of Appeal and extension of time to file Rekod Rayuan. In respect of SAP's application for leave to continue with the proceedings for the assessment of damages, the Court has allowed SAP's application on 24 May 2012 with costs of RM1,500.00 to be paid by the liquidators from CTSB's assets to SAP

5. Pembinaan Juta Mekar Sdn Bhd ("PJM") filed an action against SAP Holdings Berhad ("SAP") and Templer Park Golf Resort Berhad ("TPGR") on 18.04.2008 vide Shah Alam High Court Civil Suit No. MT3-22-617-2008 alleging that SAP and TPGR owe PJM the sum of RM10,270,351.28 purportedly being payment for the proposed construction and completion of townhouse for Phase 3A and proposed construction and completion of double storey terrace house for Phase 3B.

The hearing for summary judgment filed by PJM shall only be heard after the hearing for striking out application by SAP & TPGR.

The case has been fixed for Full Trial on 26 July 2012 and 27 July 2012.

6. Star Everest Sdn Bhd ("SESB") filed an action in the Kuala Lumpur High Court Suit No. 22NCVC-1066-11/2011 vide a Writ of Summons and Statement of Claim dated 1 November 2011 against SAP for breach of a "Development Agreement", "Business Alliance Cum Authorisation Agreement", "Forward Entitlement Agreement", "Takeover Liabilities Agreement" and "Power of Attorney" all dated 21.2.2004 ("the Agreements") in relation to the development of a piece of land held under HS(D) 20034, PT No. 26549, MukimBatu, Daerah Gombak, Negeri Selangor DarulEhsan measuring approximately 234.187 acres ("the said Land"). SESB are alleging that SAP has wrongfully terminated the Agreements. On 22 December 2011, the Court allowed SAP's application for an extension of time for a further period of 2 weeks and directed SAP to file its defense by 5 January 2012. On 6 January 2012, the Court directed SESB to file its reply to SAP's defense (if any) by 20 January 2012.

On 14 February 2012, SESB indicated that they are willing to mediate the disputes to allow parties to explore the possibility of an amicable settlement and the Court has adjourned this matter to 9 March 2012.

On 9 March 2012, the Court directed the parties to file the Agreed Issues to be Tried, Agreed Facts, Common Bundle of Documents, List of Witnesses and Summary of Case before 2 April 2012. On 2 April 2012, the Court directed both parties to file the aforementioned documents before the next case management on 24 April 2012. On 24 April 2012, the Court has fixed 18 May 2012 for Hearing in respect of SAP's application to amend its Statement of Defense and further directed the parties to

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comply with the case management's direction by 18 May 2012. On 18 May 2012, the Court has given the following directions:

- (a) the application to amend the Statement of Defense is allowed with costs to SESB in the sum of RM500.00;
 - (b) the parties to file Agreed Issues to be Tried, List of Witnesses and Summary of Case; and
 - (c) the Court has fixed this matter for further case management on 15 June 2012.
7. Brisdale Holdings Sdn Bhd (In Liquidation) ("BHSB") filed an action in the Shah Alam High Court Civil Suit No. 22NCVC-540-04-2012 vide a Writ of Summons and Statement of Claim dated 24 April 2012 against Kumpulan Hartanah Selangor Berhad ("KHSB") claiming that the Master Debt Settlement Agreement ("MDSA") dated 30 April 2007 between BHSB and KHSB together with nine (9) Power of Attorneys, all dated 30 April 2007, given by BHSB to KHSB pursuant to the MDSA are void *ab initio*, not valid and binding. The MDSA was executed in respect of a debt due and owing by BHSB to KHSB in which the parties agreed to settle the outstanding debt by way of settlement in kind through the conveyance and transfer of parcels of land as stipulated in the MDSA.

When BHSB went into liquidation on 25 September 2008, the liquidator claimed that BHSB is the registered proprietor of the parcels of land stipulated in the MDSA and requested KHSB to deliver the original titles of the said land to BHSB. In contention to BHSB's claim stipulated below, KHSB is taking the stand that the beneficial interest of the said land was transferred to KHSB pursuant to the MDSA and the said Power of Attorneys.

The Court has fixed the matter for Case Management on 17 May 2012. On 17 May 2012, the Court has given the following directions:

- (a) KHSB to file defense by 11 June 2012;
- (b) BHSB to file reply, if any, by 25 June 2012; and
- (c) This matter is fixed for case management on 27 June 2012

B10 Dividends

No dividend has been recommended or declared for this financial period.

B11 Loss per share

The basic loss per share of the Group for the current quarter of 1.16 sen is calculated based on consolidated loss attributable to the owner of the parent of RM5.22 million and number of ordinary shares in the financial year of 450 million.

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B12 Realised and unrealised profits/losses disclosures

The breakdown of accumulated losses of the Group as at 31 March 2012, into realised and unrealised losses are as follows:

	As at 31/03/2012 RM'000	As at 31/12/2011 RM'000
Total accumulated losses of the Group:-		
- Realised	(425,837)	(420,608)
- Unrealised	(23,546)	(23,560)
Total Group accumulated losses as per consolidated accounts	<u>(449,383)</u>	<u>(444,168)</u>

BY ORDER OF THE BOARD

WONG WAI FOONG
JOINT COMPANY SECRETARY

Date: 30 May 2012

Kelulusan Pengumuman :

Keputusan Kewangan Bagi Suku Pertama Berakhir 31hb Mac 2012 ini diluluskan untuk pembentangan kepada Lembaga Pengarah dan Jawatankuasa Audit dan seterusnya pengumuman kepada Bursa Malaysia Securities Berhad.

Zannifa Azura Ahmad
Pemangku Pengurus Besar - Kewangan

Tarikh: 30 Mei 2012